

CA1  
FN  
-35G63



Gov.Doc.  
Can.  
F

CAI  
FN  
- 3SG.63

Canada. Finance, Dept of.

Government  
Publications

THE GROWING INFLUENCE AND VALUE  
OF  
THE FARMERS' CREDITORS ARRANGEMENT ACT

A Further Progress Report

Issued by

Honourable Edgar N. Rhodes

Minister of Finance



April 11, 1935.

From President's Office

2000  
2000  
2000

The returns to the end of March from the Official Receivers under the Farmers' Creditors Arrangement Act, who are the men in the field throughout the country, indicated that to that date 40,316 farmers had actually interviewed Receivers throughout Canada seeking in one way or another benefits under the legislation. The following figures show the farmers interviewed in each Province:

Prince Edward Island	....	1,192
Nova Scotia	....	281
New Brunswick	....	714
Quebec	....	11,819
Ontario	....	5,321
Manitoba	....	2,832
Saskatchewan	....	8,778
Alberta	....	8,311
British Columbia	....	1,068

The most pleasing feature of the actual operation of the Act is the number of voluntary settlements that are being obtained. To the end of March these settlements, on the reports from the Receivers, totalled 2,742. Among the Provinces Quebec was highest with 752; Ontario second with 718; Alberta third with 534 and Saskatchewan fourth with 436.

On consideration of the statistics other interesting features appear. For instance, in the Maritime Provinces there has been more interest taken in the legislation by way of applications in the smaller Province of Prince Edward Island than in the two Provinces of Nova Scotia and New Brunswick. Prince Edward Island reports as many settlements as the other two Provinces together.

the first time. The day after my arrival, we  
had a great barbecue and made sandwiches. I had the  
sandwich which had all the meat and some pickles. I wanted  
to have a sandwich with lettuce, but the meat  
was so good, I didn't care. The next day we went  
out to the beach and I swam in the ocean. I also  
spent time with the other students. I am very  
excited about the trip because I have never been to  
such a place before. I am looking forward to  
seeing new things and meeting new people.

We are staying at a hotel in the city of San Francisco. The hotel  
is very nice and has a swimming pool. We are going to visit  
the Golden Gate Bridge and Alcatraz Island. We are also going to  
see the Fisherman's Wharf and the Pier 39. We are going to  
have a boat tour of the city and see the city from the water.  
We are also going to visit the Palace of Fine Arts and the  
Golden Gate Park. We are going to have a picnic in the park  
and eat sandwiches. I am very excited about the trip and  
I can't wait to see what we will see.

In addition to what has been done voluntarily before the Official Receivers throughout Canada there were over five hundred settlements effected through the Boards of Review. In many instances again the settlements before the Boards of Review have been voluntary so that the net result is that while the legislation is only beginning to be understood, over 3,200 settlements have been effected throughout the Dominion as between the farmers and their creditors, which is a very healthy, helpful development.

It is generally considered that the Canadian farmer achieves his real ambition when he is proprietor of his own land. One of the disturbing features of the census statistics of 1931 was to the effect that there was a decrease, even during that period, in the home-owners of farms in Canada, and a substantial increase in the percentage of tenants. The actual decrease in percentage of home-owners during that period, from 1921 to 1931, was 4.60 per cent, and the increase in tenants 32.95 per cent. In only one Province in Canada, the Province of Prince Edward Island, was there a decrease in the percentage of tenants, the decrease there being 15 per cent. In every other Province the percentage of tenants increased, the percentage of increase in Manitoba being the highest, 62.84 per cent; Saskatchewan was second with 62.60 per cent and Alberta third with 46.28 per cent.

Since the home-owner was, in a large measure, being converted as a farmer into a tenant largely because of the pressure of debt, this legislation seeks definitely to halt the trend which developed



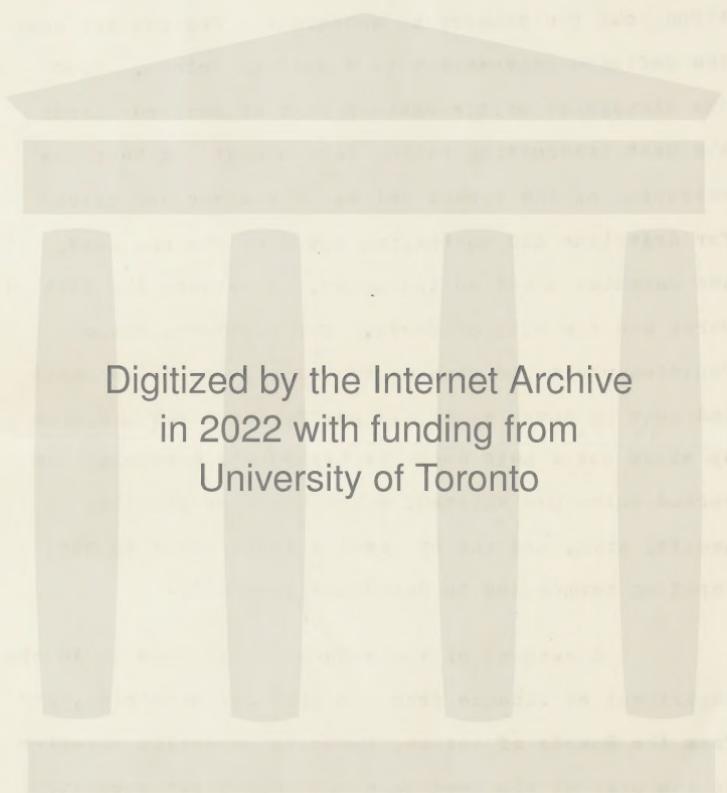
from 1921 to 1931 and to encourage the farmer who is in debt on the land to maintain his position as a home-owner by rearranging and readjusting his indebtedness so that he can remain in that category and at the same time be fair to his creditors.

From the standpoint of the farmers generally throughout the country an encouraging feature has been the definite improvement in commodity prices. From the standpoint of the wheat farmer of Western Canada the most interesting recent development has been the narrowing of the spread between the Liverpool price for Argentine and Australian wheat on the one hand, and Canadian wheat on the other, as between the 12th of March and the 28th of March. For instance, while Canadian wheat had gone up two cents, Argentine wheat had gone up seven cents and Australian wheat had gone up eight and a half cents at Liverpool, narrowing the spread which had existed, which was a distinctly healthy sign, and one of great encouragement to the Canadian farmer and to Canadians generally.

A perusal of the returns which come in to the Department of Finance from the Official Receivers, and from the Boards of Review, indicate generally a desire on the part of the creditors who hold first security to co-operate, particularly in reducing carrying charges, interest rates.

The Honourable E. N. Rhodes, Minister of Finance, has been giving a great deal of personal attention to this legislation and has expressed himself as not only keenly interested in it but abundantly satisfied with results. He said:

"The legislation is based on the idea of



Digitized by the Internet Archive  
in 2022 with funding from  
University of Toronto

conciliation. The Statute provides that capacity to pay and productive value of the land are the basic considerations. At first there was a measure of misunderstanding of the Act. Some farmers thought that the legislation would enable them to have their debts wiped out completely. Some creditors considered that it provided a means of repudiation. Both now realize that based on capacity to pay, productive value and the principles of conciliation and reason, it is in the interests of all concerned that arrangements be made.

"The figure of 3,200 settlements in Canada in the short operation of this Act is the strongest argument that could be used, not only for the legislation, but for the purpose of convincing everyone as to that element of fairness and honesty which characterizes debtor and creditor alike in this country."

Excerpts from two reports from Official Receivers may be given to indicate what is being accomplished. In a report from an Official Receiver in Alberta he says as follows:

"I wish to say now that I find that I am obtaining the greatest co-operation from the Banks, the Machinery Companies and to a lesser degree, the Mortgage Companies and also from the Unsecured Creditors. The creditor classes are beginning to realize more and more that although this Act gives great protection to the Debtor, still it gives just as much protection to the Creditor and makes arrangements for them to receive moneys on account of their debts which under ordinary circumstances they would never have received."

Another letter reporting a settlement from



the Judicial District of Terrebonne, in the Province of Quebec, reads as follows:

"I am enclosing copy of a very satisfactory settlement and should like to be able to describe to you the difference between the farmer huddled up in his chair with face all lines and creases, having very little hope of getting any advantage from his creditors, and the man he was when he left my office three and a half hours later all life and hope."

April 11, 1935.

the first and second years of the reign of Edward I. In  
the year 1295 he was appointed by Edward I. to  
the office of Sheriff of Lancashire.

In 1296 he was appointed Sheriff of Lancashire  
and Cheshire, and in 1297 he was granted a charter of arms  
and crest. He died in 1303. His wife was Alice, and  
she died in 1308. She was buried in the church of St. John  
the Baptist, in the town of Wigan. Her son, Sir John,



3 1761 11467590 3



**Amberg®**

 **ESSELTE**

57501

MADE IN U.S.A.



0 78787 57501 1